MINUTES OF THE MEETING OF THE
ECONOMIC DEVELOPMENT & TRANSPORTATION COMMITTEE
WASHINGTON STATE TRANSPORTATION COMMISSION

February 15, 2002

The meeting of the Economic Development & Transportation Committee of the Washington State Transportation Commission was called to order at 9:00 a.m., on February 15, 2002, in the Transportation Building, in Olympia, Washington.

Committee members present were: A. Michèle Maher, Ed Barnes and Elmira Forner.

Rick Smith described the situation with the current law budget for the next several years, which will leave little money available for new design or construction starts after all maintenance, operations and work-in-progress requirements are met. He pointed out that even in the category of new starts, choices would be limited by federal requirements for spending on safety projects and the need to restore the preservation program to a level that would meet the least-life-cycle-cost approach adopted by the Commission. Mr. Smith stated that a change in the Improvement – Economic Initiatives Subprogram to increase funding for economic development would be a good policy change, but would have more impact in the long term than it would in the short term.

Greg Selstead provided the Committee with the background of the current programming structure. He stated that the Department determined it would be beneficial to revise the I3 Improvement - Economic Initiatives Subprogram to include a discretionary program with a regional allocation, targeted towards economic development. The criteria would provide more flexibility to program needed improvement projects reflecting emerging needs. Projects that were included in the Highway System Plan and the Regional Transportation Plan had a benefit/cost ratio of greater than one, and provided benefits in travel delay reduction, safety, economic growth, job creation or retention, and environmental benefits. These projects would be eligible for funding under the new Regional Improvement Subprogram. The subprogram, which would allow the funding of projects that might otherwise not prioritize within the Improvement-Mobility Subprogram, will allow regional flexibility while providing an accountability mechanism, will clarify and focus the purposes of each of the subprograms, will strengthen the partnership between the Department and the regional transportation planning organizations, and will allow the Department to respond quickly to emerging needs. Mr. Selstead suggested that the new program would also encourage businesses to participate in the regional transportation planning organizations, because their participation would influence project selection. Commissioner Maher asked where freight would fall within the program structure. Mr. Selstead responded that several of the subprograms have service objectives related to freight. Commissioner Maher commented that the specific benefits of the projects, such as freight mobility, should be communicated. Mr. Selstead responded that there would be a need to market each project, reflecting its benefits.

Commissioner Forner asked whether the program would address the roads connecting to airports. Mr. Selstead stated that if the roads were in the regional transportation plan, then they would. Commissioner Forner suggested that the words "freight" and "airport roads" and such be put into the presentation documents, so that legislators would be able to see the potential benefits of the projects.

Mr. Selstead then reviewed with the Committee options for how to allocate funding within the Regional Improvement Subprogram among the six regions. The staff developed three options: to allocate by a formula of 50% population and 50% total lane miles; 50% population and 50% total lane miles with the population of the three transportation management areas (Puget Sound, Vancouver, and Spokane) not counted in the formula; and 50% population and 50% total lane miles with the population of the Puget Sound transportation management area not counted in the formula. Mr. Selstead showed the Committee the impacts of the different approaches on the percentage share each region would receive. He then provided the Committee with a spreadsheet showing the funding level each region would receive, using each allocation formula and three different program funding levels. Each of the Department region representatives participating in the meeting then described the types of projects that would benefit from the programming approach being recommended. The ensuing discussion suggested that a minimum allocation of $30 million per region would be needed in order to allow meaningful work to be accomplished each biennium, and not raise public expectations that would be subsequently disappointed. Mr. Selstead recommended adopting the Regional Improvement Subprogram with the 50% population and 50% lane mile method of allocating the funds.

Commissioner Maher commented that the regional improvement subprogram proposal is a good concept, but needs to be further developed to make sure that it increases funding for rural economic development. Paula Hammond suggested the Department could consider a grant program within I3 that would involve the regional planning organizations in the decision-making while maintaining the Department as the administrator of the program and funds. Commissioner Maher suggested the issue be removed from the February Commission meeting agenda, and that the Committee meet again in early March to finalize the concept. She urged the Department to consider building in flexibility for emergent projects, and providing an allocation large enough in the rural areas to ensure that the investments made are meaningful. Mr. Selstead agreed to modify the criteria to address emergent issues, and to work more on the allocation formula.

Todd Carlson discussed a potential transportation travel demand forecasting model that could describe the interaction between land use, including economic activity, and transportation. The model uses probability statistics to predict the impacts of land use on transportation needs, and the impact of transportation investments on land use and economic activity. He described the model and the benefits it would provide in assisting the Commission and Department with planning and project development. Mr.

Carlson indicated that if development of the model were pursued, the model would be available for use in 2006. Commissioner Maher, Commissioner Forner and Commissioner Barnes all expressed their conceptual support for development of the model.

John Sibold discussed the importance of commercial aviation services for the rural and small urban areas of the state. The Aviation Division will be looking at ways to improve the existing small airports to provide access to commercial airlines and charter services. He pointed out that the hub and spoke system is being reassessed as the hub airports reach capacity and have difficulty expanding. Moving to a regional model with appropriately sized planes will support improved commercial service to all areas of the state. Mr. Sibold stated that the state's role is to preserve the existing airports and improve the smaller airports to allow for all-weather travel. The Federal government has $20 million available for the development and implementation of strategic plans to improve the small regional airports. The Department will be tapping into those funds. The strategy will determine and set the priorities for improvements. Mr. Sibold closed his comments by stating that the Aviation Division would be coming to the Commission in the future to consider amending the mission of the Division and to insert into the Washington Transportation Plan the new focus on improving commercial aviation access to the regional airports around the state.

The Committee meeting adjourned at 1:00 p.m. on February 15, 2002.